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ABSTRACT

A study was conducted to understand the informal learning processes of the members of a worker natural foods store cooperative, The Big Carrot, in Toronto. Eight members with central roles in the natural foods retailer were interviewed. In addition, key documents and other writings on the cooperative were examined. The data indicate that members of the cooperative acquire the knowledge that is needed to perform their roles using informal learning processes. Processes most often used were the following: (1) learning from experiences (learning by doing); (2) discussions (either one-on-one or during meetings); and (3) questions to internal experts and other members. The study concluded that the success of the informal learning processes at the Big Carrot may be due in part to the "social capital" in place as a result of the cooperative structure in which workers play a more integral role than in more common capitalist businesses. (Author/KC)

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# Informal Learning Processes in a Worker Co-Operative. NALL Working Paper.

NALL Working Paper #37-2001

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NALL Working Paper #37-2001

# Informal Learning Processes in a Worker Co-operative

Jack Quarter and Harish Midha

the research network for New Approaches to Lifelong Learning

NALL

Le Réseau de recherche sur les nouvelles approches de l'éducation permanente

## Abstract

The objective of this study is to understand the informal learning processes of the members of a worker co-operative. Eight members with central roles in a natural food retailer in the east end of Toronto were interviewed. In addition, the researchers had access to key documents and other writings on the co-operative. The data indicate that members of the co-operative acquire the knowledge that is needed to perform their roles using informal learning processes. The informal processes that seemed most important were: learning from experience, that is, by doing; discussions, either one-on-one or during meetings; and questions to internal experts and other members.

A series of propositions are put forward as an explanatory framework for informal learning. These propositions could be tested through comparisons between informal learning in worker co-operatives and conventionally structured businesses.

## Introduction

The purpose of this study is to explore the informal learning processes by members of a worker co-operative. This study will provide the opportunity for comparisons of informal learning in more conventionally structured businesses using research that is also being conducted as part of the Network for New Approaches to Lifelong Learning (NALL).

With the emphasis on formal schooling in our society, there has been a tendency to underestimate the importance of other types of learning[1]. Howe[2] estimates that at least 80 per cent of learning occurs outside the formal classroom. Although one might question the accuracy of such estimates and their generalisability across all types of organisations, it is clear that there is a need both to better understand the extent of education beyond formal schooling and how it is manifest in particular organisational settings.

Garrick[3] refers to informal learning as consisting of such processes as: "mentoring, networking, working in teams (for example, with other people in the organisation), receiving feedback and trial and error." This definition also covers learning through experience and task-based learning, which is also identified as incidental learning. Informal learning may also include other self-directed activities to gather knowledge outside formal education settings, for example, at home, the workplace, libraries and through the mass media. Informal learning is distinct from but also related to non-formal learning, which Garrick[4]defines as "any organisational activity outside of the established formal (school) system ...that is

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intended to serve identifiable learning clienteles and learning objectives." While Garrick's intent to differentiate formal organisational training from formal scholastic education is well taken, his label 'non-formal' is confusing. Therefore, this study uses the label semi-formal for organisational training programmes. While the focus of the study is informal learning, reference will also be made to semi-formal organisational training (both in-house and involving outside professional courses) and formal scholastic education (the latter as a point of contrast).

A worker co-operative is a useful context for addressing informal learning in that the members of its governance are also employees who are generally lacking in formal training for the governing role. As such, they must acquire the skills that are needed to properly perform their duties in the governance. For many other types of co-operatives (for example, credit unions, farm marketing co-operatives, housing co-operatives), there are courses for board members when they assume their duties. These courses are normally given through second tier organisations (for example, provincial credit union centrals) to which the primary co-operatives belong. There is even an association of educators in co-operatives (ACE) that meets annually. Indeed, education of members is one of the seven principles of the International Co-operative Alliance, the apex organisation for co-operatives internationally. This emphasis on member education dates back to the first formulation of the guiding principles for co-operatives in Rochdale, England, in 1844[5], and has been included in every revision of the co-operative principles, including the most recent in 1995 in Manchester, England[6].

Although there is a central organisation for worker co-operatives both in Canada and in Ontario, that organisation lacks the resources of the centrals for more established forms of co-operatives. The worker co-operative is the least well developed form of co-operative in Canada as well as in other countries[7]. It is estimated that there are about 300 worker co-operatives in Canada, most being micro enterprises and located in either Quebec or Nova Scotia. As such the worker co-operative sector has not developed the training programmes for board members in the same manner as other types of co-operatives.
The worker co-operative that was the subject of this study is the Big Carrot, a natural foods retailer in the east end of Toronto with 75 employees. The Big Carrot is more successful than the typical worker co-operative in Canada in that it is the largest single retailer of natural foods in the country with annual sales in 1997 of $8 million and has been consistently profitable over the past three years. The firm was started by eight people in 1983 as a small market; four years later it purchased space across the street and expanded into a supermarket that was the centrepiece of a mall called Carrot Common, of which the Big Carrot owned 35 per cent[8].

The Big Carrot, like worker co-operatives in general, is an example of a democratic workplace in that each member has one vote at general meetings and in electing the co-operative's directors[9]. The five-member Board of Directors meets every two weeks, with the general manager participating as a non-voting member. During its 15 years, the co-operative has experimented with different management structures, at times relying upon members and at other times hiring a professional from outside. The manager at the time of the study falls into the latter category. Consensus is the dominant approach to decision making in the co-operative. This process can transcend to the routine and operational matters as well. The long and lively member meetings are scheduled biweekly as are the board meetings. Thus a member of the co-operative who is also on the board spends around two hours every week in these meetings.

The Big Carrot was inspired by the Mondragon experiment in the Basque region of Spain, a highly successful system of worker co-operatives that includes Spain's largest manufacturer of household appliances[10]. The Big Carrot's Mission Statement reflects some of the Mondragon ideals:

> In our co-op, each worker is eligible to become a member and each member has one vote in our meetings. By making a financial investment, every member accepts a personal responsibility for the success or failure of the business. ...Financial success means paying our workers wages and benefits comparable with industry standards, while maintaining competitive prices. Each member receives a share of the profits commensurate with the time she/he has worked. We direct a share of our profits ... to other co-ops, agricultural and humanitarian groups[11].

The only people who are eligible for membership of the Big Carrot are full-time employees. Currently 35 of the 75 employees are members; with a few exceptions, those who are not members are part-timers, defined as working fewer than 30 hours per week. Membership of the co-operative has to be approved by a majority of the 'current members'. Each member makes an investment of $5,000 that is kept in an account and is paid back along with interest and cumulative labour dividends (the member's share of the annual net income) upon departure from the co-operative. In contrast to a conventional business, the size of a member's investment bears no relationship to voting rights. To protect itself from external control, employees who leave the co-operative forego their voting rights. Through these practices, the Big Carrot associates voting rights with labour rather than capital, as is the case in a capitalist corporation. Through working at least 30 hours per week, employees of the co-operative become eligible for membership and the associated right to vote in the governance.

**Methodology**

The research methodology involved a combination of semi-structured interviews of key participants conducted by the authors and the analysis of background documents including previous research on the co-operative[12]. Jack Quarter had met with the founding group prior to the formation of the business and has followed the progress of the co-operative since its inception. The data for the study was conducted by the authors during the fall of 1997.

In selecting interviewees, two criteria were taken into consideration: first, they served in key roles in the governance (that is, the Board of Directors and important committees); and second, they were willing to participate. Seven people were selected in this manner--the five members of the Board of Directors and two additional members, one of whom was on the Co-op Education Committee and another from the Standards and Ethics Committee. Members of the Board of Directors also served on these other committees. In effect, the interviews covered the entire membership of the Board of Directors and the two aforementioned committees. In addition, the co-operative's general manager since the fall of 1996, a non-member, was interviewed.

The research participants are identified as P1 to P8 in this paper. Four are men and four are women. They range in age from 20 to 40 and have from two to ten years of experience in the co-operative. Their formal schooling also varies from those who are high school graduates to those with BAs and one with graduate school experience. They also represent a variety of ethno-cultural backgrounds.

**Interview Procedure**

But for one participant, all were interviewed jointly by both the researchers in a seminar room at the Big Carrot. The interviews ranged from 45 minutes to about 1.25 hours and were audiotaped and transcribed. The interviews explored how the members of the co-operative acquire the knowledge that they require in order to perform their role in the governance. The following topics were explored: 1) learning about one's own job; 2) selection and training of employees --hiring, firing and other personnel matters; 3) planning and forecasting --projecting sales and sales forecasts; 4) financial statements; 5) co-op working and policies; and 6) knowledge of the natural food industry and trends.

TABLE 1: LEARNING PROCESSES & CONTEXTS .
FREQUENCY OF OCCURRENCE
(Based on coding of Interview - Transcripts of Eight Research Participants)

| CODE: CATEGORIES / PARTICIPANT | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | Total |
|---|---|---|---|---|---|---|---|---|---|
| COT: Company Documents | 3 | 3 | 1 | - | 1 | - | - | - | 8 |
| COM: Committees | 5 | 1 | - | 2 | 1 | - | 3 | - | 12 |
| DEM: Democratic Processes - voting | - | - | 4 | 2 | 4 | 2 | - | 1 | 13 |
| DIS: Discussions | 8 | 2 | 3 | 9 | 2 | 2 | - | - | 26 |
| EOT: External Documents eg. Govt. | - | 1 | - | - | - | - | - | - | 1 |
| EVL: Employee Evaluation/Appraisal | 1 | 2 | - | - | - | - | - | - | 3 |
| EXC: External Courses | - | - | - | 3 | - | - | - | - | 3 |
| EXP: External Experts | 2 | 3 | 1 | 2 | 1 | 3 | 1 | - | 13 |
| INC: Internal Courses/Orientation | 1 | - | 1 | 3 | 1 | - | 1 | - | 7 |
| INT: Internal Networks | 1 | 1 | 2 | 1 | - | 1 | 1 | - | 7 |
| IXP: Internal Experts | 1 | 7 | 6 | 4 | 4 | 1 | 5 | 5 | 33 |
| JDS: Job Description | 3 | - | - | - | - | - | - | - | 3 |
| MBR: Other Members/Peers | 2 | 2 | 3 | 2 | 1 | 6 | 4 | - | 20 |
| MTR: Mentors/Role Models | - | - | - | - | 5 | - | - | - | 5 |
| MTG: Meetings | - | 1 | 4 | 2 | 6 | 3 | - | - | 16 |
| OTD: Oral Tradition | 2 | - | 2 | - | - | - | - | - | 4 |
| O17: On the Job - Leaning by Doing | 8 | 11 | 6 | 1 | 4 | 2 | 3 | 1 | 36 |
| PRD: Personal Reading | - | 1 | 1 | 1 | 1 | 3 | - | - | 7 |
| QST: Questions/Personal Enquiry | 1 | - | 2 | 3 | 2 | 3 | - | 1 | 12 |
| WIN: Other Written Information | - | - | - | 2 | - | - | - | - | 2 |
| TOTAL | 38 | 35 | 36 | 37 | 33 | 26 | 18 | 8 | 231 |

**Results**

Table 1 presents a summary of the detailed coding of the interview data. The left-hand column indicates the processes and forums in which learning takes place, including related acronyms (for example: company documents will be referred to as CDT). For each of these processes and forums, the table shows the number of references to learning by each of the eight participants; in the right-hand column the totals are presented for each process and forum. For example, the process mentioned most frequently in the interviews was: learning from experience, that is, learning by working on-the-job (Category OTJ: 36). This category was referred to 36 times in the interviews. Other processes and forums for learning that are referred to frequently are: questions to internal experts (IXP: 33); discussions with fellow members and experts (DIS: 26). It should be noted that the informal processes were used almost exclusively within the co-operative. There was some reference to orientation sessions prior to the presentation of the financial statements (INC: 7) and a few of the members partook of outside courses (EXC: 3). The board meetings (MTG: 16) and committees (COM: 12) emerged as important forums of learning. As for sources, the highest ranking were internal experts (INT: 33), members and peers (MBR: 20) and external experts (EXP: 13). The very democratic culture of the co-op with participative decision-making was also identified as a significant contributor to the learning process (DEM: 13).

These informal learning processes, along with the associated contexts, are explored in greater detail following presentation of Table 1. The discussion is organised around the six topics that were explored in the interviews. For each topic, selected excerpts from the interviews are presented to highlight the primary themes

*1. Learning about one's own job/trade*

The dominant process involved here was learning on the job (OTJ). Also called learning through experience or learning by doing, it is the backbone of experiential learning and may involve some trial and error. More than half of the 36 OTJ instances coded in the transcripts were in the context of learning about one's own job and related technical skills. Here are a couple of typical comments from the research participants:

P2 (A buying manager in the grocery area):

> No, I just learned it 'on-the-job'. Before I came here, I managed smaller stores where I

bought for the whole store; things like gift baskets at a deli, candies, etc. Buying is perhaps the easiest part of the job. You just watch what you sold last week and you replace it. As for suppliers, you basically stick with them, unless somebody offers you a better deal. I also found out (from experience) that it is not worth switching, until there is something wrong with the one you have.

P3 (commenting on learning about new systems):

> I had used various accounting programs before similar to that and it was not that difficult to learn the system here. ... And I had already done the payroll at other companies. So it was learning by doing mostly ...If there is any person who taught me really here, it was Bob (the previous accountant) ...He tended to take a sink-or-swim method; he told you once and then kind of pushed you in. It usually worked out OK.

Even when a mentor was involved, most of the in-depth learning really took place through experience on the job, that is, learning by doing.

*2. Personnel -supervisory responsibilities*

This area covers selection and training of employees. Most of the interviewees had supervisory responsibilities and became involved not only in hiring decisions but also in such mundane tasks as preparing and updating job descriptions and conducting employee appraisals. Here again learning on the job (OTJ) figured highly, followed by learning from internal or external experts through personal one-on-one questioning (QST) and discussions in groups (DIS).

P1 (a board member commenting on selection of the general manager):

> There was no training or formal guidelines; but board members went over the resumes together and noted down the interesting points and what questions to ask. So the questions were mostly based on the resumes.

P1 (on contract for the new general manager):

> I had some questions about the terminology; none about the terms of the contract. The form was fairly straightforward (roughly four pages) with some legal terminology which was explained by Brian (our lawyer).

P2 (on hiring and firing):

> Well, being managers, we have been given a copy of the regulations for hiring and firing. If I have any doubts or questions, Heather (being the president) helps. She usually does the payroll and is well-versed in rules and regulations. She fills out papers for hiring and terminations and is more up on this.

P2 (on selection):

> I think once I was involved in interviewing a candidate. ...I haven't taken any training; it is just based on experience.

P2 (on updating job descriptions):

> Yes, before the new general manager started, we had to revise all the job descriptions. We had to make up job descriptions in cases where there were none. The policy manual does not help much; but we-go by our current experience and practice.

P2 (on employee appraisals):

> We have annual evaluations. On the job practice and reading of a few articles have helped me. ...I am evaluated by the general manager and he gets input on me from three people in

my department as well. ...I don't feel uncomfortable with this process. ...It is pretty much standard for all departments and proforma; it is designed and updated by the evaluation committee.

P7 (a recent member and a newly promoted manager):

> We have standard evaluation forms. When we hire a new person in my department, we evaluate after three months; after that, it is once a year. For members it is four-pages long; but for part-timers, only a few questions apply. When I evaluate somebody, I also get feedback from other employees in the department. So in a way people are evaluating each other, though I have the ultimate 'say'. I have one full-time person who is my assistant and the rest are part-timers. ...As for training, Derryn (the general manager) did go over it (the evaluation) in a department meeting. He went over the form and explained each question.

As noted in these excerpts, experiential learning predominates and is reinforced by easy accessibility to 'knowledgeable' people--the internal and the external experts--and through discussion with other members. There may be meetings to go over evaluation forms, but there were no formal training sessions using outside professionals.

*3. Planning and forecasting*
This area may involve inventory management and sales projections. Here again, experience and learning on the job (OTJ) seemed to be the dominant mode.

P1:

> Every pay period (two weeks) department heads prepare forecasts for their areas. These forecasts are based on the 'time of the year', for example, volume during the same period last year and sales in the previous pay-period. The general manager reviews these forecasts, but the board gets only the annual projections. The forecast for 1997-98 fiscal year has already been presented by the general manager to the board.

P2 (on inventory management):

> I follow rule-of-thumb. If some grocery item can't be turned over in two or three months, we don't get it again. It is not worth having it on shelf if we order six units of grocery and we can't sell them in three months. Rules would be different for 'produce' (for which there is a separate manager). I just do packaged goods.

Here again, learning by doing is predominant; neither of these two managers (P1 and P2) had taken any formal business management courses.

*4. Financial statements*
The financial statements involve technical materials for which the members of the co-operative have minimal training. While a few members took accounting courses or did some personal reading, that was not the norm. Therefore, the members depend heavily on experts such as their accountant who go over financial statements periodically and are also available for any questions (QST).

P2 (on financial statements):

> Usually, Nora would go over the statements with the board. With some it is just that big fear about maths and numbers and a course may not help much. I find it pretty basic. Nora is happy to explain, where we get on any specific category or item.

P4 (on financial statements):

> Well, Nora, one of our accountants, had a little seminar, and she went through them step-by-step, and then also (our external auditor) ...Doug, the accountant who comes once a

year to do year-end totals and things, he came in and did a whole kind of seminar with the board. So that helped a lot.

P5 (on budgets):

> Well, we're lucky to have here Nora, a first-rate accountant who knows everything there would be to know about numbers; we don't hesitate at all to use her. We would go first probably to our General Manager, Derryn, who has a fairly good head for figures and our other resource would be Nora, our accountant.

P7 (on comfort level with financial statements):

> I could not explain them. Nora works with the accountant and she went over it quite a bit yesterday at a members' meeting. If anyone has any questions, they go to her. She could give an explanation for almost anything. As for my department, if I have any questions I go to Derryn.

Although the members express varying degrees of comfort in dealing with the financial statements, there is a lot of reliance on the general manager (Derryn) and the company accountant (Nora) on budgetary matters and interpretation of financial statements. Even though Nora and Derryn represent the senior management of the co-operative, the other members trust the information they provide. There is no indication in the interviews of a lack of trust. This trust is critical to the informal learning processes and particularly the willingness of the members of the co-operative to turn to internal experts.

*5. Co-operative philosophy and corporate knowledge*

The oral tradition whereby knowledge is passed from the older to the newer members was important in transmitting the co-operative's philosophy and background knowledge.

P1 (on passing of knowledge with board changes):

> For one thing, the board doesn't change all at once. Out of the five members; three of us are at least into our second year or more. The other two have recently been voted in. There is an opportunity for the relatively new members to absorb in what the others have learned.

P1 (on the company philosophy of not exceeding a three to one pay ratio between highest and lowest):

> That I believe was passed on verbally.

P4 (on co-op working):

> I guess talking to people; there's one person here, Fernando, and he's actually the only person who took me aside and says, oh, do you know what a co-op is and what it means to be a co-op member? So that was good, but he was just doing that, you know, not on behalf of the co-op, but just on his own.

P7 (on becoming a co-op member in 1996):

> At that time, we didn't have any formal document (reference to the Mission Statement). Heather, a board member, talked to me about the responsibilities and implications of becoming a member. Of course, people are given a Policy Manual when they join (even part-timers). When you decide to apply as a member, they give you a financial report as well, so that you know what you are getting into.

The membership has increased rapidly over the past few years and a newly formed Co-op Education Committee has taken a leading role in orienting new members as well promoting a greater degree of awareness of the co-operative's ideals. P7 describes the processes that have been initiated:

> I feel when I joined as a member, I was not given enough information. So I wanted to help

> upcoming members and came on this committee. We set up orientation meetings with the upcoming members; three meetings typically -- one every week. In one meeting, we give history of the Big Carrot; another one is on the financial aspects and the last one is on any questions that they might have. ...Each of these meetings take about one to two hours. All committee members may not attend all of these meetings. Usually two or three might attend, depending on their strengths. Heather is good at financials; I put together an evaluation form for the upcoming members as to how they will be evaluated. Initially, all of us took projects; Damion and Fredrico took upon the history; we had a video on the Big Carrot which they edited ...so that people can view it; they show it to the prospective members.

This effort, mostly sponsored by members with strong commitment to the co-operative's ideology, is more structured than many other learning activities at the Big Carrot. Nevertheless, it is an informal orientation organised by veteran members rather than a formal programme conducted by professional trainers.

*6. Knowledge of natural food industry and trends*

Although the incoming members of the Big Carrot tend to have a minimal understanding of a worker co-operative when they start, there is a relatively strong commitment to natural foods and their efficacy in promoting a healthy lifestyle. Nevertheless, within the membership there are differing points of view on this philosophy and particularly what types of products are consistent with it. The members of the co-operative have held vigorous debates on these issues and to this day these discussions continue at the membership meetings. The Standards and Ethics Committee was set up by the members to establish guidelines that would serve as a framework for product purchases. Again, self-education is salient in how both the members of this committee and general membership acquire information and develop policies, but outside training also is taken. Several members, who serve as internal experts to whom others will turn for advice, have made an effort to acquire the necessary education in order serve that role for the co-operative:

P4 (a member working in Vitamin & Supplements):

> I'm a chartered herbalist and I'm now getting a Bachelor of Science degree in applied nutrition ... through an American school via a correspondence course.

P6 (another member working in Vitamin & Supplements):

> I deal with nutrition. I have been studying nutrition for 16 years.

P7 (manager in Health & Beauty):

> We have a number of seminars given by the product suppliers which my people and I attend. I do plan to take a herbalist course, since a lot of our products use natural oils. I want to know what their properties are. Then I want to take a few specialised courses on skin care, etc. ...I do believe in natural foods a lot. ...So I have grown up around the idea of a healthy lifestyle, natural healing and organic foods. ...I do believe in natural healing and eating proper foods. ...and the co-op too. I feel very strongly about it since every one can help each other. It makes you care about your job and it makes you work harder when it belongs to you.

The members of the co-operative are not simply acquiring this expertise for its own sake, but because they see them serving a higher purpose of promoting the ideals of a healthier lifestyle. As P7 states:

> In the health food industry, you are not just working to make money but you are also trying to heal people.

Although informal processes are the predominant mode for acquiring the necessary expertise, the members recognise the importance of semi-formal training programmes and of using the co-operative's resources to fund them. P4 emphasises this point:

> I was on the committee (Co-op Education Committee) to devise a plan on how to fund people's education; say you wanted to take a course that's related to your job, then we will pay 80 percent of that.

This plan was put in place during this past year.

*Additional Comments*
The co-operative does not have a training department and formal training courses as is the case with most conventional companies. The general manager, who had extensive experience with conventional food retailers before coming to the Big Carrot, makes that point:

P8:

> It is much less formalised and regimented here as compared with a chain store. We don't have experts and trainers like the ones we had at Miracle. ...At the Big Carrot, it is not possible; I can't pick up the telephone and call the head office as I used to at the Miracle. So whenever a problem comes up, we try to find out if we have local expertise available. If we can locate somebody here, we ask that person to teach others. If we don't have it, we look outside for what resources are available. ...I look to this position here as a place where I have to be far more creative than a chain store.

Nevertheless, the co-operative is expanding and there is a feeling of discomfort among people in senior positions that the current processes for self-education might be inadequate. The chairwoman of the Board of Directors voiced this viewpoint:

P3 (on selecting a new general manager):

> I didn't feel it then; I feel it now. It was hit-and-miss at that time (for me). ...I don't think that we are making mistakes business-wise. But I don't think we (at the board level) are doing what we are supposed to be doing. Up until two or three years ago, management set up the agenda for the board meetings and practically ran them. The board, for a lot of years, was very ineffectual. I feel we still have a long way to go in learning what, at the board level, we should really be doing. What we have learned so far is by a hit-and-miss process ...It will be nice to be doing something by knowing beforehand what we ought to be doing rather than by struggling and questioning.

The general manager expressed similar concerns from a different perspective:

P8:

> As it stands now at the Big Carrot, the informal learning processes far outweigh the formal learning processes (as means to acquire job related knowledge). I would say that 70 to 30 percent would be a fair estimate. What I think will be the optimal is that it should be half and half. So I will like the balance shifted a bit the other way.

This feeling of discomfort and uncertainty, the 'we may not be covering all the bases' for lack of professional knowledge and management training was shared by a number of other interviewees. There was a concern that the Big Carrot might not be able to withstand the competition from large US natural foods chains that are poised to expand into the Canadian market. The issue of expansion has been discussed by the co-operative during the past ten years, but it has not been acted on. Therefore, even though the Big Carrot has been relatively successful in the competitive natural foods market using largely informal learning processes, there is an uneasiness about the adequacy of these processes and steps are being put in place for a greater emphasis on formal training involving outside expertise. Indeed, the general manager's role might be viewed as a bridging mechanism between the informal learning processes of the co-operative and external expertise. Although he is an insider, he was not hired as a member and therefore has a relationship to the co-operative that differs from the other members. It would be inaccurate to describe him as an external expert, but for some functions he behaves in that

manner and is encouraging of the co-operative introducing greater external expertise. The general manager's estimate that 70 per cent of the current learning is informal appears somewhat higher than is borne out by the data from the interviews. The formal processes are strikingly minimal. However, it does appear that the co-operative is attempting to change that balance by increasing its investment in formal programmes mounted by external experts.

**Discussion**

The main findings are summarised below:

1. The predominant mode of job-related learning among members of the co-operative, which represents a successful business in a highly competitive retail food market, is through informal processes rather than semi-formal training either in-house or outside courses.

2. Of these informal processes, the most important were:

a) Learning from experience, that is, learning by doing.
b) Discussions: one-on-one or during committees and board meetings.
c) Questions to internal and external experts and other members.

3. The very democratic structure of Big Carrot, underscored by a strong participative culture, stimulates discussions at various levels and in different forums like board meetings and promotes learning through informal processes.

4. Written documents like the Policy Manual and the Co-op Mission Statement were used as reference material. The knowledge of personnel matters came primarily through experience (learning by doing) while the co-op philosophy was passed on orally through interaction with other members.

5. The board, member and other committee meetings served as important vehicles for spreading job-related knowledge through discussions and question/answer sessions.

6. The internal networks, organised either socially or on a departmental basis, also served as subsidiary vehicles for dissemination of job-related knowledge.

7. The orientation sessions put in place lately by the Co-op Education Committee for newly inducted members also were informal, but nevertheless were important to the education of incoming members.

Given the predominance of informal processes at the Big Carrot, one might speculate on the reasons why they are so salient and, notwithstanding the questioning of their adequacy, appear to serve the co-operative relatively well. These theoretical speculations might be useful in drawing comparisons with conventionally structured organisations.

First, for informal learning to be effective the participants must have the opportunities to interact both internally and externally to their workplace. At the Big Carrot, such opportunities are available in the many meetings, departmental interactions, and through social networks outside the workplace. It is proposed that 'efficiency' (as reflected in the effort by organisations to eliminate down time) might work against informal learning.

Second, the willingness to interact informally is also a function of the cohesiveness of social relations and the trust that employees have of each other. Where employees feel comfortable with each other, they are more likely to interact informally. Putnam[13] uses the term social capital to describe the trust that is needed for a community to function properly. It is suggested that this same concept can be applied to the workplace as an explanatory variable for informal learning.

Third, the Big Carrot involves an unusual relationship between expertise and hierarchy. In most organisations, there is a positive correlation between hierarchy and expertise in that those at the top of the hierarchy tend to have specialised forms of expertise that are generally inaccessible to those at the

lower levels. Within the Big Carrot, the relationship between expertise and hierarchy is less striking. Rather it appears that there are experts at all levels of the hierarchy who serve to educate other members. It is proposed that this lack of correlation between expertise and hierarchy might serve to promote informal learning.

Fourth, where there are forms of technical expertise that are located in particular positions, such as general manager and accountant, it is proposed that the relatively flat structure of the worker co-operative (for example, as reflected in the arrangement that the general manager is hired by and accountable to a board consisting of employees) encourages those who are in positions at the top of the hierarchy to share their expertise more than would be the case in a conventionally structured organisation.

Fifth, it is proposed that the ownership arrangements of the Big Carrot, which involves members making a $5,000 investment and also receiving labour dividends (as a portion of the net income that may be retained on account) motivates members to be self-directed in learning the skills that are needed to function to a high degree of efficiency. It is proposed that employees of a conventionally-owned business would be less self-directed in their learning activities.

Sixth, it is proposed that the democratic milieu of the Big Carrot encourages the sharing of ideas that are critical to informal learning. In other words, through participating in meetings where differing points of view are discussed, members of the co-operative acquire essential knowledge both for their jobs and for participating in the governance.

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